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SUBJECT: BHARAT BALLOT 09: SIKKIM DEMOCRATIC FRONT LIKELY TO RETURN

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¶1. (SBU) Summary: The Sikkim Democratic Front (SDF) appears likely to continue its 15 year rule of the small mountainous Northeast Indian state strategically wedged in between Nepal, China (Tibet) and Bhutan. While it may not match the 2004 absolute sweep, it appears that it will retain its one Lok Sabha parliamentary seat and most, if not all, of the 31 Sikkim state assembly seats it won in 2004. SDF party members confirmed that, as per standing practice, it will lend its support to whichever government is formed at the national level. India's 1975 annexation of the former kingdom of Sikkim continues to resonate emotively with the local population and, as a more practical matter, to impact taxation and individual benefit levels of so-called "Sikkim Subjects". The state government is currently pursuing several large infrastructure projects (hydro-electric, airport and rail) to generate state revenue and improve trade, transit and tourism. Poloff visited Gangtok, the state capitol of Sikkim, from May 8 - 10 to report on the recently held April 30 parliamentary and state assembly polls, the results of which will be announced along with other Indian constituencies on May 16. End Summary.

Demographics - Overwhelmingly Nepali, Significant Bhutia Minority

¶2. (U) The only Indian state with an ethnic Nepali majority, Sikkim borders Nepal, China (Tibet), Bhutan and the Indian state of West Bengal. The population of Sikkim (approximately half a million) is composed of 75% Nepali, 20% Bhutia and 5% other. More than 60 percent of the population is Hindu, 28 percent Buddhist, seven percent Christian and 1.4 percent Muslim. Bhutias are ethnically similar to the people of Bhutan and Tibet and they consider themselves the original residents of Sikkim.

A One Party (Sikkim Democratic Front) State

¶3. (SBU) The SDF has ruled Sikkim for the last 15 years as a regional party focused on developing the state's people, resources and infrastructure, while preserving the natural beauty of the mountain state and a strong sense of Sikkim political identity. SDF party president and current Chief Minister, Pawan Kumar Chamling, has led the state government during the 15 years of SDF rule. In 2004 the SDF won the sole Lok Sabha parliamentary seat and all 31 of the contestable state assembly seats. The Buddhist ecclesiastical community chose a Congress representative as their ecclesiastical representative to the Sikkim state assembly (as per the Indian Constitution, national parliament and state assemblies may reserve a small number of seats for representatives of religious minority communities). According to political observers, the SDF will retain the sole parliamentary seat and most of the 31 state assembly seats, losing only one or two to the Congress. While

some voices question the autocratic hold of the SDF party on state government, and bemoan the alleged corruption in contract award and development activity, there is no large-scale movement for "change" in this relatively prosperous state which enjoys a high standard of living. SDF party members told PolOFF that the party will support whichever party forms a national government in order to maximize the amount of centrally provided financial support to the state.

#### Legacies of a Kingdom - Sikkim Subjects

¶4. (SBU) When Sikkim acceded to the Indian Union in 1975; it retained several of its pre-existing laws, privileges and regalia. Before accession, Sikkim had issued certificates to "Sikkim Subjects", those who had been subjects of the King, which have since become of considerable value as "Sikkim Subjects" are exempt from paying government income tax. Children and spouses of "Sikkim Subjects" are also entitled to this, and other educational benefits, creating a disparity between "Sikkim Subjects" and "Non-Sikkim Subjects" within the state. This effectively creates the anomaly of first and second-class citizens, based not on ethnicity but on previous "subject" status, within the present-day Indian democratic polity. The SDF has privately acknowledged the necessity of addressing the inequities; however, their only politically feasible alternative is extension of the benefits to all Sikkim residents which is a position that the Government of India would most likely strongly oppose.

#### Infrastructure Projects

¶5. (SBU) The state government has focused its infrastructure efforts on harnessing the hydro-electric potential of the Teesta River and improving the road and rail links connecting Sikkim with West Bengal and the rest of India. Construction has already begun on five of the 26 contracts awarded for a total of

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4727 MW of hydro-electric power. The state would receive approximately 12% of the electricity output from these projects for their relatively limited internal consumption, while the remaining much larger portion will be sold into the power grid. The Indian military, through its Border Roads Organization, has already invested considerable sums in the construction of roads into the strategically important state. The state government is looking to supplement existing road links with the construction of the first rail line eventually connecting Gangtok with the rail net via Siliguri in West Bengal. Work on the first phase, a 53 km link from Siliguri to the bordertown of Rangpo, is expected to commence later this year with a completion date of 2015-16. In February 2009 construction began on a USD 71 million project for the state's first airport in Pakyong, 30 km from Gangtok, and is expected to be finished by June 2011. Improved rail, road and air connections will benefit the state's still relatively small, but promising tourist industry which caters primarily to Indian tourists, with small numbers of European and even fewer Americans making the trip. Indo-China trade across the Nathu-La pass re-opened in 2006 continues to be more symbolic, than meaningful, with the list of goods severely limited.

#### Comment

¶6. (SBU) In Sikkim, the more important political question is not which party will rule the state, but rather which SDF member will become a minister in the next state government. The state continues to develop its infrastructure through a generous infusion of centrally-provided funds commiserate with its strategic importance and also as a subtle reminder of the benefits of its accession with India. State government and party officials view royalties from upcoming hydro-electric projects as potential substitutes for anticipated future reductions in central subsidies. Locals appear to be generally content in this small, but relatively prosperous, Northeast Indian state. However, a wistful spark continues to alight in their eyes whenever they speak or think about their Himalayan

neighbor Bhutan and its ability to preserve its sovereign  
monarch status, long after Sikkim had lost hers.  
TAYLOR